



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

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ZEV YAROSLAVSKY  
Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

September 24, 2013

To: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over a horizontal line.

## WASHINGTON, D.C. UPDATE ON THE CONTINUING RESOLUTION FOR FEDERAL FISCAL YEAR 2014

This memorandum is to provide the Board with an update on H.J. Res. 59, the Continuing Resolution for Federal Fiscal Year (FFY) 2014, which the House passed on September 20, 2013.

The House-passed Continuing Resolution (CR) temporarily funds Federal programs and operations and extends the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) through December 15, 2013. Importantly, it also would eliminate funding for the Affordable Care Act (ACA) and requires that Federal debt service and Social Security benefits be paid in the event that the Federal debt limit is reached. Unless a CR is enacted before FFY 2014 begins on October 1, 2013, there would be a lapse in appropriations for discretionary programs and activities because Congress has not yet enacted any of the 12 FFY 2014 appropriations bills. Under current law, SNAP and TANF, which are mandatory programs, otherwise will expire on September 30, 2013.

The Senate Democratic leadership has indicated that it will seek to strip the ACA defunding and debt limit provisions from H.J. Res. 59, and send it back to the House before October 1, 2013. A cloture vote to limit debate and proceed with H.J. Res. 59, which requires a 60-vote majority, is scheduled for September 25, 2013. At this time, it is unclear whether the House would pass a CR which does not include the ACA defunding and debt limit provisions.

*"To Enrich Lives Through Effective And Caring Service"*

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If a CR to temporarily fund Federal programs and operations is not enacted before the start of FFY 2014, there could be a Federal government "shutdown" - lapse in appropriations. **We believe that a brief Federal government shutdown would not have any significant fiscal or programmatic impact on the County, similar to how the County was not significantly affected by past shutdowns.** Between FFYs 1977 and 1996, there were 17 Federal funding gaps/shutdowns. The most recent shutdown, which also was the longest one, lasted from December 15, 1995 to January 6, 1996. None of these shutdowns had any significant impact on the County.

It is noteworthy that Medicaid, which alone accounts for over half of the County's total Federal revenue, would not be affected at all by a Federal funding gap/shutdown. This is because Medicaid is a mandatory (entitlement) program, which is not subject to available appropriations, and because all states, including California, receives an advance Medicaid payment to cover their estimated funding needs in the upcoming quarter, including the first quarter of FFY 2014. Moreover, for Medicaid and other Federal funding which flows through the State to the County, the time lag in the County's receipt of Federal funding is mainly attributable to the time it takes for the State to process County claims and draw down Federal funds before providing the Federal funds to the County.

We will continue to keep you advised.

WTF:RA  
MR:MT:ma

c: All Department Heads  
Legislative Strategist